

Substitute for SENATE BILL No. 611

By Committee on Commerce

3-22

AN ACT relating to the redevelopment of property located within a federal enclave in Johnson and Labette counties; authorizing certain powers, including tax increment financing and sales tax revenue bonds; relating to projects of the Kansas development finance authority; amending K.S.A. 2001 Supp. 74-8902, 74-8905, 74-8921, 74-8922, 74-8923, 74-8924, 74-8925, 74-8927 and 74-8929 and repealing the existing sections.

Be it enacted by the Legislature of the State of Kansas:

New Section 1. As used in sections 1 to 6, inclusive, and section 16, and amendments thereto, "board" or "board of county commissioners" means the board of county commissioners of Johnson county or the board of county commissioners of Labette county.

New Sec. 2. The board of county commissioners, by resolution, may establish a redevelopment district to cover and include all or any part or parts of the property located within a federal enclave in Johnson and Labette counties. Prior to establishing the redevelopment district, the board shall adopt a resolution stating its intent to create the district and the proposed adoption of a comprehensive master development plan for the property. The resolution of intent shall:

(a) Give notice that a public hearing will be held to consider adoption of the comprehensive master development plan for the property and establishment of the redevelopment district and stating the date, time and place for the hearing;

(b) describe the proposed boundaries of the redevelopment district; and

(c) describe the proposed master development plan and indicate where copies of the plan may be obtained and inspected. A copy of the resolution setting the public hearing shall be published once in the official county newspaper not less than one week nor more than two weeks preceding the date fixed for the public hearing, and copies of the resolution shall be sent by certified mail, return receipt requested, to each owner of land within the proposed district, to the board of education of any school district which does or would levy taxes on property in the proposed district, to the governing body of any city located within three miles of

1 the boundaries of the proposed district, to the K-10 highway association,
2 to the board of county commissioners of Douglas county and to the pres-
3 ident of the Kansas development finance authority. Upon conclusion of
4 the public hearing, the board, within 60 days, shall consider adoption of
5 the comprehensive master development plan, and upon adoption of the
6 plan, may establish the redevelopment district.

7 New Sec. 3. The board of county commissioners, with or without the
8 establishment of a redevelopment district under section 1 and amend-
9 ments thereto, on its own initiative or in cooperation with a redevelop-
10 ment authority or one or more developers, may request and approve the
11 establishment of a redevelopment district by the Kansas development
12 finance authority pursuant to K.S.A. 2001 Supp. 74-8921 and 74-8922,
13 and amendments thereto, covering all or any part or parts of property
14 located within a federal enclave in Johnson and Labette counties. Upon
15 establishment of such a redevelopment district, the Kansas development
16 finance authority may enter into one or more intergovernmental agree-
17 ments with the board of county commissioners to assist in the redevelop-
18 ment of the property by the exercise of those powers contained in
19 K.S.A. 74-8905, and amendments thereto, and in addition to those pur-
20 poses stated in subsection (v) or K.S.A. 74-8904, and amendments
21 thereto, the Kansas statewide projects development corporation may act
22 to acquire and convey property and to issue bonds on behalf of Johnson
23 or Labette county for redevelopment plan projects approved by the au-
24 thority and Johnson or Labette county for the redevelopment district
25 established to cover all or part of the property located within a federal
26 enclave in Johnson and Labette counties.

27 New Sec. 4 The board of county commissioners, upon the establish-
28 ment of a redevelopment district pursuant to section 2 or section 3, and
29 amendments thereto, may create a redevelopment authority, which shall
30 be composed and have such powers as the board may authorize and de-
31 termine by resolution consistent with the provisions of this act.

32 New Sec. 5. (a) Upon establishment of a redevelopment district pur-
33 suant to section 2, and amendments thereto, redevelopment within the
34 district may be undertaken in one or more redevelopment projects, and
35 any redevelopment project may be implemented in separate development
36 stages. The developer proposing a redevelopment project within the dis-
37 trict shall prepare a redevelopment project plan and submit it to the board
38 or, if created, the redevelopment authority. The project plan shall include:

39 (1) A feasibility study, which shall be an open public record, showing
40 that the benefits to the state and its political subdivisions derived from
41 the project will exceed the costs and that the income therefrom will be
42 sufficient to pay for the project;

43 (2) a comprehensive description of the project and an analysis of its

1 compliance and compatibility with the comprehensive master develop-
2 ment plan adopted by the county;

3 (3) a description and map of the area to be redeveloped;

4 (4) detailed description of the buildings and facilities proposed to be
5 constructed or a completed, proposed development plan for the project
6 prepared in compliance with the county's applicable zoning and subdivi-
7 sion regulations;

8 (5) a detailed plan for the financing of the redevelopment plan; and

9 (6) any other information that the board of county commissioners
10 deems necessary to advise the public of the intent and content of the
11 plan.

12 (b) Upon submission and receipt of the redevelopment project plan,
13 the board, or, if applicable, the redevelopment authority, shall schedule
14 a public hearing on the plan. The date fixed for the public hearing shall
15 be not less than 30 nor more than 70 days following receipt of the plan.
16 Copies of the proposed project plan shall be delivered to those persons
17 and entities entitled to notice under section 2, and amendments thereto.
18 Notice of the public hearing shall be included with the plan as delivered
19 and shall also be published once each week for two consecutive weeks in
20 the official county newspaper. The notice shall fix the date, time and place
21 of the hearing and shall state where copies of the plan can be obtained
22 or examined. Finally, if the board of county commissioners or, if appli-
23 cable, the redevelopment authority has been requested or otherwise will
24 consider to issue tax increment financing or other bonds or indebtedness
25 to provide financial assistance for the redevelopment project, then the
26 plan and notice shall include a summary of such financing.

27 (c) Following the public hearing, the board of county commissioners
28 or, if applicable, the redevelopment authority, shall consider and may
29 approve and adopt the project plan. Any redevelopment project approved
30 under this act shall be completed within 20 years from the date of the
31 project approval. Any substantial changes to the project plan as approved
32 shall be considered in the same manner and pursuant to the same pro-
33 cedures as the initial project approval.

34 New Sec. 6. (a) The board of county commissioners shall have the
35 power to issue special obligation bonds in one or more series to finance
36 the undertaking of any redevelopment project approved under this act.

37 (b) Any bonds issued by the county under this section shall be con-
38 sidered in like manner to bonds issuable by the Kansas development
39 finance authority, under subsection (e) of K.S.A. 74-8905, and amend-
40 ments thereto, and shall be payable, both as to principal and interest, in
41 the manner provided by K.S.A. 2001 Supp. 74-8924, and amendments
42 thereto. The board may designate any or all of the revenue sources au-
43 thorized under K.S.A. 2001 Supp. 74-8924, and amendments thereto,

1 which shall be used for payment of bonds issued under this section and
2 may pledge such revenue to the repayment of such bonds prior to, si-
3 multaneously with or subsequent to the issuance of such bonds.

4 (c) The maximum maturity on bonds issued to finance projects pur-
5 suant to this act shall not exceed 20 years.

6 (d) The board may authorize the issuance of bonds payable from the
7 increment in ad valorem property taxes resulting from any redevelopment
8 project, and the board may divide the real property within the redevel-
9 opment district into separate redevelopment project areas. In that case,
10 the bonds authorized may be issued for and payable from the property
11 for the separate project areas within the district, and each separate project
12 area shall constitute a separate taxing unit for the purpose of the com-
13 putation and levy of taxes.

14 (e) For purposes of this section and any bonds issued pursuant to
15 K.S.A. 2001 Supp. 74-8925, and amendments thereto, the increment in
16 ad valorem tax shall be determined using a base year assessed valuation
17 as designated by the county appraiser to be the valuation assessable on
18 the real property located within the redevelopment district regardless of
19 the status of the property as exempt due to ownership by the United
20 States army.

21 (f) The board may approve a redevelopment project and issue bonds
22 for such project and authorize only a specified percentage or amount of
23 the tax increment realized from taxpayers in the redevelopment district
24 for repayment or pledge of repayment for the costs of the redevelopment
25 project. The county treasurer shall allocate the specified percentage or
26 amount of the tax increment for the district and shall allocate the re-
27 mainder for remittance in the same manner as other ad valorem taxes.

28 (g) The board may refund all or part of any special obligation bonds
29 issued under the provisions of this act pursuant to the provisions of K.S.A.
30 10-116a, and amendments thereto.

31 Sec. 7. K.S.A. 2001 Supp. 74-8902 is hereby amended to read as
32 follows: 74-8902. The following words or terms used in this act shall have
33 the following meanings unless a different meaning clearly appears from
34 the context:

35 (a) "Act" means the Kansas development finance authority act.

36 (b) "Authority" means the Kansas development finance authority cre-
37 ated by K.S.A. 74-8903, and amendments thereto.

38 (c) "Agricultural business enterprises" means facilities supporting or
39 utilized in the operation of farms, ranches and other agricultural, aqua-
40 cultural or silvicultural commodity producers and services provided in
41 conjunction with the foregoing. "Agricultural business enterprise" shall
42 not include a swine production facility on agricultural land which is
43 owned, acquired, obtained or leased by a corporation, limited liability

1 company, limited partnership, corporate partnership or trust.

2 (d) “Agricultural land,” “corporation,” “corporate partnership,” “lim-
3 ited liability company,” “limited partnership,” “swine production facility”
4 and “trust” have the meanings ascribed pursuant to K.S.A. 17-5903, and
5 amendments thereto.

6 (e) “Board of directors” means the board of directors of the authority
7 created by K.S.A. 74-8903, and amendments thereto.

8 (f) “Bonds” means any bonds, notes, debentures, interim certificates,
9 grant and revenue anticipation notes, interest in a lease, lease certificate
10 of participation or other evidences of indebtedness, whether or not the
11 interest on which is subject to federal income taxation, issued by the
12 authority pursuant to this act.

13 (g) “Capital improvements” means any physical public betterment or
14 improvement or any preliminary plans, studies or surveys relative thereto;
15 land or rights in land, including, without limitations, leases, air rights,
16 easements, rights-of-way or licenses; and any furnishings, machinery, ve-
17 hicles, apparatus or equipment for any public betterment or
18 improvement.

19 (h) “Construct” means to acquire or build, in whole or in part, in
20 such manner and by such method as the authority shall determine to be
21 in the public interest and necessary to accomplish the purposes of and
22 authority set forth in this act.

23 (i) “Loans” means loans made for the purposes of financing any of
24 the activities authorized within this act, including loans made to financial
25 institutions for funding or as security for loans made for accomplishing
26 any of the purposes of this act and reserves and expenses appropriate or
27 incidental thereto.

28 (j) “Educational facilities” means real, personal and mixed property
29 of any and every kind intended by an educational institution in further-
30 ance of its educational program.

31 (k) “Facilities” means any real property, personal property or mixed
32 property of any and every kind.

33 (l) “Health care facilities” means facilities for furnishing physical or
34 mental health care.

35 (m) “Housing development” means any work or undertaking,
36 whether new construction or rehabilitation, which is designed and fi-
37 nanced pursuant to the provisions of this act for the primary purpose of
38 providing dwelling accommodations for elderly persons and families of
39 low income in need of housing.

40 (n) “Industrial enterprise” means facilities for manufacturing, pro-
41 ducing, processing, assembling, repairing, extracting, warehousing, dis-
42 tributing, communications, computer services, transportation, corporate
43 and management offices and services provided in connection with any of

1 the foregoing, in isolation or in any combination, that involve the creation
2 of new or additional employment or the retention of existing employment.

3 (o) "Political subdivision" means political or taxing subdivisions of the
4 state, including municipal and quasi-municipal corporations, boards, com-
5 missions, authorities, councils, committees, subcommittees and other
6 subordinate groups or administrative units thereof, receiving or expend-
7 ing and supported, in whole or in part, by public funds.

8 (p) "Pooled bonds" means bonds of the authority, the interest on
9 which is subject to federal income taxation, which are issued for the pur-
10 pose of acquiring bonds issued by two or more political subdivisions.

11 ~~(q) "Project of statewide as well as local importance" means a project~~
12 ~~as to which the secretary of commerce and housing has made a finding~~
13 ~~that at least: (i) Capital improvements costing not less than \$300,000,000~~
14 ~~or, if constructed in a county which according to the 1990 decennial~~
15 ~~census contained a population of 25,000 or less, costing not less than~~
16 ~~\$5,000,000 will be built in the state for such project; (ii) not less than~~
17 ~~1,500 or, if created in a county which according to the 1990 decennial~~
18 ~~census contained a population of 25,000 or less, not less than 150 per-~~
19 ~~manent and seasonal employment positions as defined by K.S.A. 74-~~
20 ~~50,114, and amendments thereto, will be created in the state by such~~
21 ~~project; (iii) is located outside of the city limits of any city at the time of~~
22 ~~such finding; and (iv) is to be located at a site designated as a federal~~
23 ~~enclave as of January 1, 1998.~~

24 ~~(r)~~ (q) "State" means the state of Kansas.

25 ~~(s)~~ (r) "State agency" means any office, department, board, commis-
26 sion, bureau, division, public corporation, agency or instrumentality of
27 this state.

28 Sec. 8. K.S.A. 2001 Supp. 74-8905 is hereby amended to read as
29 follows: 74-8905. (a) The authority may issue bonds, either for a specific
30 activity or on a pooled basis for a series of related or unrelated activities
31 or projects duly authorized by a political subdivision or group of political
32 subdivisions of the state in amounts determined by the authority for the
33 purpose of financing projects of statewide as well as local importance as
34 defined pursuant to K.S.A. 12-1744, and amendments thereto, capital
35 improvement facilities, educational facilities, health care facilities and
36 housing developments. Nothing in this act shall be construed to authorize
37 the authority to issue bonds or use the proceeds thereof to:

38 (1) Purchase, condemn or otherwise acquire a utility plant or distri-
39 bution system owned or operated by a regulated public utility;

40 (2) finance any capital improvement facilities, educational facilities or
41 health care facilities which may be financed by the issuance of general
42 obligation or utility revenue bonds of a political subdivision, except that
43 the acquisition by the authority of general obligation or utility revenue

1 bonds issued by political subdivisions with the proceeds of pooled bonds
2 shall not violate the provisions of the foregoing; or

3 (3) purchase, acquire, construct, reconstruct, improve, equip, fur-
4 nish, repair, enlarge or remodel property for any swine production facility
5 on agricultural land which is owned, acquired, obtained or leased by a
6 corporation, limited liability company, limited partnership, corporate
7 partnership or trust.

8 Nothing in this subsection (a) shall prohibit the issuance of bonds by
9 the authority when any statute specifically authorizes the issuance of
10 bonds by the authority or approves any activity or project of a state agency
11 for purposes of authorizing any such issuance of bonds in accordance with
12 this section and provides an exemption from the provisions of this sub-
13 section (a).

14 (b) The authority may issue bonds for activities and projects of state
15 agencies as requested by the secretary of administration. No bonds may
16 be issued pursuant to this act for any activity or project of a state agency
17 unless the activity or project either has been approved by an appropriation
18 or other act of the legislature or has been approved by the state finance
19 council acting on this matter which is hereby characterized as a matter
20 of legislative delegation and subject to the guidelines prescribed in sub-
21 section (c) of K.S.A. 75-3711c, and amendments thereto. When requested
22 to do so by the secretary of administration, the authority may issue bonds
23 for the purpose of refunding, whether at maturity or in advance of ma-
24 turity, any outstanding bonded indebtedness of any state agency. The
25 revenues of any state agency which are pledged as security for any bonds
26 of such state agency which are refunded by refunding bonds of the au-
27 thority may be pledged to the authority as security for the refunding
28 bonds.

29 (c) The authority may issue bonds for the purpose of financing in-
30 dustrial enterprises, agricultural business enterprises, educational facili-
31 ties, health care facilities and housing developments, or any combination
32 of such facilities, or any interest in facilities, including without limitation
33 leasehold interests in and mortgages on such facilities. No less than 30
34 days prior to the issuance of any bonds authorized under this act with
35 respect to any project or activity which is to be undertaken for the direct
36 benefit of any person or entity which is not a state agency or a political
37 subdivision, written notice of the intention of the authority to provide
38 financing and issue bonds therefor shall be given by the president of the
39 authority to the governing body of the city in which the project or activity
40 is to be located. If the project or activity is not proposed to be located
41 within a city, such notice shall be given to the governing body of the
42 county. No bonds for the financing of the project or activity shall be issued
43 by the authority for a one-year period if, within 15 days after the giving

1 of such notice, the governing body of the political subdivision in which
2 the project or activity is proposed to be located shall have adopted an
3 ordinance or resolution stating express disapproval of the project or ac-
4 tivity and shall have notified the president of the authority of such
5 disapproval.

6 (d) The authority may issue bonds for the purpose of establishing and
7 funding one or more series of venture capital funds in such principal
8 amounts, at such interest rates, in such maturities, with such security, and
9 upon such other terms and in such manner as is approved by resolution
10 of the authority. The proceeds of such bonds not placed in a venture
11 capital fund or used to pay or reimburse organizational, offering and ad-
12 ministrative expenses and fees necessary to the issuance and sale of such
13 bonds shall be invested and reinvested in such securities and other in-
14 struments as shall be provided in the resolution under which such bonds
15 are issued. Moneys in a venture capital fund shall be used to make venture
16 capital investments in new, expanding or developing businesses, includ-
17 ing, but not limited to, equity and debt securities, warrants, options and
18 other rights to acquire such securities, subject to the provisions of the
19 resolution of the authority. The authority shall establish an investment
20 policy with respect to the investment of the funds in a venture capital
21 fund not inconsistent with the purposes of this act. The authority shall
22 enter into an agreement with a management company experienced in
23 venture capital investments to manage and administer each venture cap-
24 ital fund upon terms not inconsistent with the purposes of this act and
25 such investment policy. The authority may establish an advisory board to
26 provide advice and consulting assistance to the authority and the man-
27 agement company with respect to the management and administration of
28 each venture capital fund and the establishment of its investment policy.
29 All fees and expenses incurred in the management and administration of
30 a venture capital fund not paid or reimbursed out of the proceeds of the
31 bonds issued by the authority shall be paid or reimbursed out of such
32 venture capital fund.

33 (e) The authority may issue bonds in one or more series for the pur-
34 pose of financing ~~a project of statewide as well as local importance in~~
35 ~~connection with~~ a redevelopment plan *project* that is approved by the
36 authority in accordance with K.S.A. 2001 Supp. 74-8921 and 74-8922,
37 and amendments thereto, *or by Johnson or Labette county in accordance*
38 *with the provisions of this act.*

39 (f) After receiving and approving the feasibility study required pur-
40 suant to K.S.A. 2001 Supp. 74-8936, and amendments thereto, the au-
41 thority may issue bonds in one or more series for the purpose of financing
42 a multi-sport athletic project in accordance with K.S.A. 2001 Supp. 74-
43 8936 through 74-8938, and amendments thereto. If the project is to be

1 constructed in phases, a similar feasibility study shall be performed prior
2 to issuing bonds for the purpose of financing each subsequent phase.

3 (g) The authority may issue bonds for the purpose of financing resort
4 facilities, as defined in subsection (a) of K.S.A. 32-867, and amendments
5 thereto, in an amount or amounts not to exceed \$30,000,000 for any one
6 resort. The bonds and the interest thereon shall be payable solely from
7 revenues of the resort and shall not be deemed to be an obligation or
8 indebtedness of the state within the meaning of section 6 of article 11 of
9 the constitution of the state of Kansas. The authority may contract with
10 a subsidiary corporation formed pursuant to subsection (v) of K.S.A. 74-
11 8904, and amendments thereto, or others to lease or operate such resort.
12 The provisions of K.S.A. 32-867, 32-868, 32-870 through 32-873 and 32-
13 874a through 32-874d, and amendments thereto, shall apply to resorts
14 and bonds issued pursuant to this subsection.

15 (h) The authority may use the proceeds of any bond issues herein
16 authorized, together with any other available funds, for venture capital
17 investments or for purchasing, leasing, constructing, restoring, renovat-
18 ing, altering or repairing facilities as herein authorized, for making loans,
19 purchasing mortgages or security interests in loan participations and pay-
20 ing all incidental expenses therewith, paying expenses of authorizing and
21 issuing the bonds, paying interest on the bonds until revenues thereof are
22 available in sufficient amounts, purchasing bond insurance or other credit
23 enhancements on the bonds, and funding such reserves as the authority
24 deems necessary and desirable. All moneys received by the authority,
25 other than moneys received by virtue of an appropriation, are hereby
26 specifically declared to be cash funds, restricted in their use and to be
27 used solely as provided herein. No moneys of the authority other than
28 moneys received by appropriation shall be deposited with the state
29 treasurer.

30 (i) Any time the authority is required to publish a notification pur-
31 suant to the tax equity and fiscal responsibility act of 1982, the authority
32 shall further publish such notification in the Kansas register.

33 (j) Any time the authority issues bonds pursuant to this section, the
34 authority shall publish notification of such issuance at least 14 days prior
35 to any bond hearing in the official county newspaper of the county in
36 which the project or activity financed by such bonds are located and in
37 the Kansas register.

38 Sec. 9. K.S.A. 2001 Supp. 74-8921 is hereby amended to read as
39 follows: 74-8921. (a) In addition to the other requirements of this act,
40 bonds issued by the authority under subsection (e) of K.S.A. 74-8905, and
41 amendments thereto, shall be issued only after the authority establishes
42 a redevelopment district and approves a redevelopment plan for a project
43 of statewide as well as local importance in accordance with subsections

1 ~~(b) and (c) the provisions of this section.~~

2 ~~(b) The authority may establish a district to be known as a “redevelop-~~
3 ~~ment district” within the state after the secretary of commerce and~~
4 ~~housing has certified that the district will contain a project of statewide~~
5 ~~as well as local importance.~~

6 ~~—(c) A project of statewide as well as local importance may be under-~~
7 ~~taken by the authority or a developer on behalf of the authority, in one~~
8 ~~or more phases, within a redevelopment district after the redevelopment~~
9 ~~district has been established by the authority.~~

10 *(b)* To establish a redevelopment district, the authority shall adopt a
11 resolution stating its intent to establish the redevelopment district, de-
12 scribing the boundaries of the proposed district, identifying any proposed
13 projects to be considered as a part of the redevelopment district, and
14 stating the time, place, and manner that the authority will receive public
15 written comment on the proposed redevelopment district. The resolution
16 shall be published once each week for two consecutive weeks in a news-
17 paper of general circulation within the county in which the redevelop-
18 ment district may be established. A copy of the resolution shall be mailed
19 to the governing bodies of the county and the school district in which the
20 proposed redevelopment district is located. Upon conclusion of a public
21 comment period of not less than 10 days following the second publication,
22 the authority may adopt a resolution establishing the redevelopment dis-
23 trict. Any addition of area to the redevelopment district shall be subject
24 to the same procedure as the original resolution that established the re-
25 development district.

26 ~~(d)~~ *(c)* Any redevelopment plan undertaken within the redevelop-
27 ment district may be in separate development stages. Each plan shall be
28 adopted according to the provisions of K.S.A. 2001 Supp. 74-8922, and
29 amendments thereto, and shall fix a date for completion. Any project
30 constituting a part of an approved redevelopment plan shall be completed
31 on or before the final scheduled maturity of the first series of bonds issued
32 to finance the redevelopment project.

33 ~~(e)~~ *(d)* Subject to the provisions of K.S.A. 2001 Supp. 74-8925, and
34 amendments thereto, any increment in ad valorem property taxes result-
35 ing from a redevelopment district undertaken in accordance with the
36 provisions of this act, shall be apportioned to the redevelopment bond
37 fund created pursuant to K.S.A. 2001 Supp. 74-8927, and amendments
38 thereto, for the payment of the costs of ~~the~~ *an approved redevelopment*
39 ~~project of statewide as well as local importance~~, including the payment
40 of principal and interest on any bonds issued to finance such project
41 pursuant to this act and may be pledged to the payment of principal and
42 interest on such bonds. The maximum maturity of bonds issued to finance
43 ~~projects of statewide as well as local importance~~ pursuant to this section

1 and subsection (e) of K.S.A. 74-8905, and amendments thereto, shall not
2 exceed ~~30~~ 20 years from the date of ~~the issuance~~ *approval* of ~~the first~~
3 ~~series of bonds issued to finance~~ the redevelopment project. For the
4 purposes of this act, “increment” means that amount of ad valorem taxes
5 collected from real property located within the redevelopment district
6 that is in excess of the amount which is produced from such property and
7 attributable to the assessed valuation of such property prior to the date
8 the redevelopment district was established, as determined under the pro-
9 visions of K.S.A. 2001 Supp. 74-8925, and amendments thereto.

10 ~~(f)~~ (e) Before any redevelopment district is established pursuant to
11 K.S.A. 2001 Supp. 74-8921, and amendments thereto, a comprehensive
12 feasibility study, which shows the benefits *to the state and its political*
13 *subdivisions* derived from such project will exceed the costs and that the
14 income therefrom will be sufficient to pay for the project, shall be pre-
15 pared by the developer and submitted to ~~the secretary of commerce and~~
16 ~~housing and~~ the authority and a redevelopment *plan implementation*
17 agreement between the authority and the developer with respect to im-
18 plementing the redevelopment plan shall have been executed. Such feasi-
19 bility study shall be an open public record and the redevelopment agree-
20 ment shall be approved by the board of county commissioners of the
21 county in which the redevelopment district is located.

22 Sec. 10. K.S.A. 2001 Supp. 74-8922 is hereby amended to read as
23 follows: 74-8922. (a) If the developer proposes to undertake a *redevelop-*
24 *ment* project of ~~statewide as well as local importance~~ within a redevelop-
25 ment district established pursuant to K.S.A. 2001 Supp. 74-8921, and
26 amendments thereto, *at the federal enclave located in Johnson and La-*
27 *bette counties*, the developer shall prepare a redevelopment plan. The
28 redevelopment plan shall include:

29 (1) A summary of the feasibility study required by K.S.A. 2001 Supp.
30 74-8921, and amendments thereto;

31 (2) a reference to the redevelopment district established under
32 K.S.A. 2001 Supp. 74-8921 and amendments thereto;

33 (3) a comprehensive description of the project ~~of statewide as well as~~
34 ~~local importance~~;

35 (4) a description and map of the area to be redeveloped;

36 (5) a detailed description of the buildings and facilities proposed to
37 be constructed or improved in such area; ~~and~~

38 (6) *a plan for the financing of the redevelopment project; and*

39 (7) any other information the authority deems necessary to advise the
40 public of the intent of the plan.

41 (b) A copy of the proposed redevelopment plan shall be delivered by
42 the developer to the authority, ~~the secretary of commerce and housing~~
43 and *to* the board of county commissioners of the county in which the

1 redevelopment district is located, and the board of county commissioners
2 shall determine, within 30 days after receipt of the plan, whether the plan
3 as proposed is consistent with the comprehensive ~~general development~~
4 plan for the development of the ~~area property~~. If the proposed redevel-
5 opment plan is not consistent with the comprehensive ~~general develop-~~
6 ~~ment plan, the board of county commissioners shall provide its comments~~
7 ~~and objections to the authority, which shall modify, approve or deny the~~
8 plan. If the redevelopment plan is consistent with the comprehensive
9 ~~general development~~ plan of the county, then the authority may adopt the
10 redevelopment plan by a resolution passed by a majority of the board of
11 directors of the authority. Any substantial changes to the plan as adopted
12 shall be made in the same manner, with notice and approval of the board
13 of county commissioners and adoption of a resolution by the authority. A
14 redevelopment plan may be adopted by the authority, pursuant to these
15 procedures, at the same time that the authority establishes the redevel-
16 opment district under K.S.A. 2001 Supp. 74-8921, and amendments
17 thereto. Any redevelopment plan which proposes to undertake a project
18 of statewide as well as local importance in a county which according to
19 the 1990 decennial census contained a population greater than 25,000
20 shall be adopted prior to July 1, 2001 or, if a developer has complied with
21 the provisions of K.S.A. 74-8930 and amendments thereto, 2002.

22 (c) (1) Under no circumstances shall the state of Kansas, any of its
23 political subdivisions, the Kansas development finance authority or any
24 unit of local government assume responsibility or otherwise be respon-
25 sible for any environmental remediation, *or any fees which may relate*
26 *thereto*, which may be required to be performed within the redevelop-
27 ment district designated through any redevelopment plan, *and any at-*
28 *torney fees incurred by the state of Kansas as a defendant in any litigation*
29 *arising from any such environmental remediation or fees relating thereto*
30 *shall be paid by the party or parties bringing the litigation or otherwise*
31 *causing the state of Kansas to be a party to the litigation. Any person or*
32 *entity, other than the state, an instrumentality of the state, or a unit of*
33 *local government, who proposes to take legal title to land which is located*
34 *at a site designated as a federal enclave prior to January 1, 1998, for the*
35 *purpose of developing a project of state-wide as well as local importance*
36 *shall: (1) prior to taking such title, enter into a consent decree agreement*
37 *with the Kansas department of health and environment or the United*
38 *States environmental protection agency under which such person or en-*
39 *tity expressly agrees to be responsible for and to complete the remedia-*
40 *tion of all environmental contamination of such land according to estab-*
41 *lished standards and levels for appropriate property uses, except that part,*
42 *if any, of the remediation which is, by agreement approved by the gov-*
43 *ernor, to be retained by the federal government or any agency thereof*

1 and (2) prior to taking title to any of the land, provide prepaid third-party
2 financial guarantees to the state or an instrumentality thereof sufficient
3 in form and amount to insure full and complete remediation of all of the
4 land within the federal enclave as required in the consent decree agree-
5 ment. Nothing in this section is intended and shall not be construed to
6 relieve the United States army, the federal government or any agency
7 thereof from any duty, responsibility or liability for any contamination or
8 remediation of the land as may be imposed or required under state or
9 federal law, and *At the time of transfer of any real property located within*
10 *a federal enclave in Johnson and Labette counties from the United States*
11 *to any subdivision of the state, including Johnson and Labette counties,*
12 *if all remedial action necessary to protect human health and the environ-*
13 *ment has been taken, a covenant of transfer shall be made by the United*
14 *States to this effect in compliance with the provisions of 42 U.S.C. 9620*
15 *et seq. and amendments thereto. If at the time of transfer such property*
16 *is still in the remediation process, the covenant of transfer may be deferred*
17 *pending the completion of the remediation by the United States with a*
18 *separate covenant of transfer covering the property to be provided at a*
19 *future date stating that the site has been fully remediated as provided in*
20 *42 U.S.C. 9620 and amendments thereto. Nothing in this section is in-*
21 *tended and shall not be construed to relieve the United States, the federal*
22 *government or any agency thereof from any duty, responsibility or lia-*
23 *bility for any contamination or remediation of the land as may be imposed*
24 *or required under state or federal law.*

25 Prior to taking title, possession or otherwise exercising control over the
26 land within a former federal enclave the federal enclave located in Johnson
27 and Labette counties or in any other way exposing the state to potential
28 liability for environmental remediation of such property, the state or any
29 instrumentality of the state shall obtain the written opinion of a competent
30 attorney, specializing in environmental law and maintaining professional
31 liability insurance, and the Kansas attorney general regarding the state's
32 potential liability resulting from taking title, possession or otherwise ex-
33 ercising control over the land. *Also prior to taking title, possession or*
34 *otherwise exercising control over the land, Johnson county or Labette*
35 *county, as appropriate, shall ensure that adequate environmental insur-*
36 *ance is obtained and purchased to cover the property.*

37 Sec. 11. K.S.A. 2001 Supp. 74-8923 is hereby amended to read as
38 follows: 74-8923. The authority may use the proceeds of bonds issued
39 pursuant to subsection (e) of K.S.A. 74-8905, and amendments thereto,
40 or upon approval by the board of county commissioners or other taxing
41 subdivision in which the redevelopment district is located any uncom-
42 mitted funds derived from those sources set forth in K.S.A. 2001 Supp.
43 74-8924, and amendments thereto, or other funds pledged for the pay-

1 ment of such bonds to implement the redevelopment plan, ~~including the~~
2 ~~payment or reimbursement of all costs of the project of statewide as well~~
3 ~~as local importance~~ to the extent authorized in the redevelopment plan
4 implementation agreement adopted pursuant to K.S.A. 74-8921, and
5 amendments thereto. Any excess revenue *from sources set forth in K.S.A.*
6 *2001 Supp. 74-8927, and amendments thereto, other than any revenues*
7 *pledged from private sources which the authority has agreed in the re-*
8 *development implementation agreement to such sources* not otherwise
9 needed or committed for the repayment of bonds or other project costs
10 authorized in the agreement shall upon approval by the authority be paid
11 out by the state treasurer proportionately to the appropriate taxing
12 authorities.

13 Sec. 12. K.S.A. 2001 Supp. 74-8924 is hereby amended to read as
14 follows: 74-8924. (a) Any bonds issued by the authority under subsection
15 (e) of K.S.A. 74-8905, and amendments thereto, *or by Johnson county or*
16 *Labette county under this act* to finance the undertaking of any *redevel-*
17 *opment project of statewide as well as local importance* in accordance
18 with the provisions of this act, shall be made payable, both as to principal
19 and interest:

20 (1) From property tax increments, *other than an increment derived*
21 *from ad valorem taxes levied by or on behalf of a school district*, allocated
22 to, and paid into a special fund of the authority under the provisions of
23 K.S.A. 2001 Supp. 74-8925, and amendments thereto;

24 (2) from revenues of the authority or the developer derived from or
25 held in connection with the undertaking and carrying out of any rede-
26 velopment plan under this act;

27 (3) from any private sources, contributions or other financial assis-
28 tance from the state or federal government;

29 (4) from the revenue collected by the state under K.S.A. 2001 Supp.
30 74-8927, and amendments thereto, *except that the state's retailers' sales*
31 *tax shall not be used unless the president of the Kansas development fi-*
32 *nance authority first makes a finding that the entity or business under-*
33 *taking the redevelopment project produces at least \$10,000,000 in revenue*
34 *annually;*

35 (5) from a portion or all increased revenue received by any city *or*
36 *county* from franchise fees collected from utilities and other businesses
37 using public right-of-way within the redevelopment district;

38 (6) from a portion or all of the revenue received from sales taxes
39 collected within the redevelopment district pursuant to K.S.A. 12-187,
40 and amendments thereto; or

41 (7) by any combination of these methods.

42 (b) The authority may pledge such revenue to the repayment of such
43 bonds prior to, simultaneously with, or subsequent to the issuance of such

1 bonds.

2 Sec. 13. K.S.A. 2001 Supp. 74-8925 is hereby amended to read as
3 follows: 74-8925. (a) For the purposes of this act, the term “taxing sub-
4 division” shall include the county, the city, the unified school district and
5 any other taxing subdivision levying real property taxes, the territory or
6 jurisdiction of which includes any currently existing or subsequently cre-
7 ated redevelopment district. The term “real property taxes” includes all
8 taxes levied on an ad valorem basis upon land and improvements thereon,
9 other than the property tax levied pursuant to the provisions of K.S.A.
10 2001 Supp. 72-6431, and amendments thereto or any other property tax
11 levied by or on behalf of a school district.

12 (b) All tangible taxable property located within a redevelopment dis-
13 trict shall be assessed and taxed for ad valorem tax purposes pursuant to
14 law in the same manner that such property would be assessed and taxed
15 if located outside such district, and all ad valorem taxes levied on such
16 property shall be paid to and collected by the county treasurer in the
17 same manner as other taxes are paid and collected. Except as otherwise
18 provided in this section, the county treasurer shall distribute such taxes
19 as may be collected in the same manner as if such property were located
20 outside a redevelopment district. Each redevelopment district established
21 under the provisions of this act shall constitute a separate taxing unit for
22 the purpose of the computation and levy of taxes.

23 (c) Beginning with the first payment of taxes which are levied follow-
24 ing the date of approval of any redevelopment district established pur-
25 suant to K.S.A. 2001 Supp. 74-8921, and amendments thereto, real prop-
26 erty taxes received by the county treasurer resulting from taxes which are
27 levied subject to the provisions of this act by and for the benefit of a
28 taxing subdivision, as herein defined, on property located within such
29 redevelopment district constituting a separate taxing unit under the pro-
30 visions of this section, shall be divided as follows:

31 (1) From the taxes levied each year subject to the provisions of this
32 act by or for each of the taxing subdivisions upon property located within
33 a redevelopment district constituting a separate taxing unit under the
34 provisions of this act, the county treasurer first shall allocate and pay to
35 each such taxing subdivision all of the real property taxes collected which
36 are produced from that portion of the current assessed valuation of such
37 real property located within such separate taxing unit which is equal to
38 the total assessed value of such real property on the date of the estab-
39 lishment of the redevelopment district.

40 (2) Any real property taxes produced from that portion of the current
41 assessed valuation of real property within the redevelopment district con-
42 stituting a separate taxing unit under the provisions of this section in
43 excess of an amount equal to the total assessed value of such real property

1 on the effective date of the establishment of the district shall be allocated
2 and paid by the county treasurer according to specified percentages of
3 the tax increment expressly agreed upon and consented to by the gov-
4 erning bodies of the county and school district in which the redevelop-
5 ment district is located. The amount of the real property taxes allocated
6 and payable to the authority under the agreement shall be paid by the
7 county treasurer to the treasurer of the state. The remaining amount of
8 the real property taxes not payable to the authority shall be allocated and
9 paid in the same manner as other ad valorem taxes. Any real property
10 taxes paid to the state treasurer under this section shall be deposited in
11 the redevelopment bond finance fund of the authority which is created
12 pursuant to K.S.A. 2001 Supp. 74-8927, and amendments thereto, to pay
13 the costs of ~~the any approved redevelopment project of statewide as well~~
14 ~~as local importance~~, including the payment of principal of and interest on
15 any bonds issued by the authority to finance, in whole or in part, such
16 project. When such bonds and interest thereon have been paid, all mon-
17 eys thereafter received from real property taxes within such redevelop-
18 ment district shall be allocated and paid to the respective taxing subdivi-
19 sions in the same manner as are other ad valorem taxes. If such bonds
20 and interest thereon have been paid before the completion of a project,
21 the authority may continue to use such moneys for any purpose author-
22 ized by the redevelopment agreement until such time as the project costs
23 are paid or reimbursed, but for a period not to exceed the final scheduled
24 maturity of the bonds.

25 (d) In any redevelopment plan or in the proceedings for the issuing
26 of any bonds by the authority to finance a project ~~of statewide as well as~~
27 ~~local importance~~, the property tax increment portion of taxes provided
28 for in paragraph (2) of subsection (c) may be irrevocably pledged for the
29 payment of the principal of and interest on such bonds. The authority
30 may adopt a redevelopment plan in which only a specified percentage of
31 the tax increment realized from taxpayers in the redevelopment district
32 is pledged to the payment of costs ~~of the project of statewide as well as~~
33 ~~local importance~~.

34 Sec. 14. K.S.A. 2001 Supp. 74-8927 is hereby amended to read as
35 follows: 74-8927. (a) Until the earlier of: (1) The date the bonds issued
36 to finance or refinance the redevelopment undertaken in the redevelop-
37 ment district have been paid in full; or (2) the final scheduled maturity
38 date of the first series of bonds issued to finance the redevelopment
39 project, all revenues collected or received from the state transient guest
40 tax established pursuant to K.S.A. 2001 Supp. 79-5301 through 79-5304,
41 and amendments thereto, any revenue from a county or countywide re-
42 tailers' sales tax levied or collected under K.S.A. 2001 Supp. 74-8929, and
43 amendments thereto, the state retailers' sales tax pursuant to K.S.A. 79-

1 3603 or 79-3603b, and amendments thereto, *except that notwithstanding*
2 *the provisions of K.S.A. 79-3603 or 79-3603b, and amendments thereto,*
3 *to the contrary, the additional tax at the rate of 2% to be collected within*
4 *a redevelopment district shall not apply to a redevelopment district cre-*
5 *ated under K.S.A. 74-8921, and amendments thereto, for the purposes of*
6 *sections 1 to 6, inclusive, and amendments thereto, and the state com-*
7 *pensating use tax, pursuant to K.S.A. 79-3703, and amendments thereto,*
8 *which have been certified by the director of taxation to have been derived*
9 *from taxpayers located in a redevelopment district shall be remitted to*
10 *the state treasurer in accordance with the provisions of K.S.A. 75-4215,*
11 *and amendments thereto. Upon receipt of each such remittance, the state*
12 *treasurer shall deposit the entire amount in the state treasury.*

13 (b) The state treasurer shall credit all such revenues to the redevel-
14 opment bond fund which is hereby established ~~in the state treasury and~~
15 ~~shall be held by the state treasurer as custodian for the authority. Distri-~~
16 ~~butions from the redevelopment bond fund shall not require an appro-~~
17 ~~priation by the legislature.~~ The state treasurer shall make such ~~biannual~~
18 distributions on dates mutually agreed upon by the treasurer and the
19 authority. The authority shall use all such moneys received pursuant to
20 this section to pay the costs of ~~a redevelopment project of statewide as~~
21 ~~well as local importance as described in K.S.A. 74-8902, and amendments~~
22 ~~thereto~~ projects to the extent authorized pursuant to a redevelopment plan
23 implementation agreement approved pursuant to K.S.A. 2001 Supp. 74-
24 8921, and amendments thereto. Any revenues not needed or committed
25 for the payment of bonds or other project costs as authorized by the
26 redevelopment plan implementation agreement shall upon approval by
27 the authority be remitted by the state treasurer proportionately to the
28 appropriate taxing authorities.

29 (c) *The tax levied pursuant to subsection (b) of K.S.A. 72-6431, and*
30 *amendments thereto, shall not be used for the purpose of paying any*
31 *portion of the principal and interest on bonds issued pursuant to sections*
32 *1 through 6, and amendments thereto.*

33 Sec. 15. K.S.A. 2001 Supp. 74-8929 is hereby amended to read as
34 follows: 74-8929. (a) Whenever a redevelopment district is proposed to
35 be established pursuant to section 2, and amendments thereto, by the
36 board of county commissioners or by the authority pursuant to K.S.A.
37 2001 Supp. 74-8921, and amendments thereto, the governing body of the
38 board of county commissioners of Johnson county in which the redevel-
39 opment district is proposed to be located ~~may~~ or the board of county
40 commissioners of Labette county, in addition to any countywide retailers'
41 sales tax authorized by K.S.A. 12-187, and amendments thereto, or other
42 specific statutory provisions, may adopt and impose a county retailers'
43 sales tax at a rate of .5% within the redevelopment district, without sub-

1 mitting the question to an election and all revenue derived from the
2 county retailers' sales tax levied under this subsection shall be pledged
3 for the purposes of financing the redevelopment plan *and redevelopment*
4 *projects*.

5 (b) Notwithstanding any other statutory provision to the contrary,
6 whenever the ~~governing body of a~~ *board of county commissioners of John-*
7 *son* county adopts and imposes the county retailers' sales tax authorized
8 under subsection (a), then all revenue that is derived from a countywide
9 retailers' sales tax imposed by ~~such the~~ county pursuant to K.S.A. 12-187,
10 and amendments thereto, from taxpayers within the redevelopment dis-
11 trict, except those portions of such taxes which have otherwise been ex-
12 pressly dedicated for other purposes by a prior pledge of ~~such the~~ county
13 or by authorizing statute or voter approval, shall be considered to be
14 dedicated for purposes of the redevelopment district and upon collection
15 by the director of taxation, such revenues shall be remitted to the state
16 treasurer in accordance with the provisions of K.S.A. 75-4215, and
17 amendments thereto. Upon receipt of each such remittance, the state
18 treasurer shall deposit the entire amount in the state treasury to the credit
19 of the redevelopment bond fund established pursuant to K.S.A. 2001
20 Supp. 74-8927, and amendments thereto, *if applicable, or to the rede-*
21 *velopment bond fund established by the board of county commissioners*.

22 (c) All revenue derived from a county retailers' sales tax imposed
23 under subsection (a) and collected under subsection (b) shall upon col-
24 lection, be remitted to the state treasurer, as provided by K.S.A. 2001
25 Supp. 74-8927, and amendments thereto, and may be pledged and used
26 by the authority *or board* in like manner as other revenues collected or
27 received under K.S.A. 2001 Supp. 74-8927, and amendments thereto.
28 Whenever the authority has proposed to issue bonds pursuant to subsec-
29 tion (e) of K.S.A. 74-8905, and amendments thereto, the county retailers'
30 sales tax imposed under subsection (a) and the revenue collected under
31 subsection (b) shall remain in effect and may not be reduced or rescinded
32 by the governing body of the county until such time as the bonds have
33 been fully paid. When such bonds have been fully paid, then (1) the
34 county retailers' sales tax imposed under subsection (a) shall expire, unless
35 otherwise renewed by action of the governing body of the county for
36 purposes of implementing additional projects authorized ~~under the re-~~
37 ~~development plan~~ for the redevelopment district; and (2) the revenues to
38 be collected under subsection (b) may be rededicated for other purposes
39 by resolution of the governing body of ~~such the~~ county and if not so
40 rededicated then the revenues thereafter collected shall be used only for
41 approved and authorized costs in the redevelopment district in accord-
42 ance with ~~the approved~~ *redevelopment plan plans*. Upon rededication of
43 the revenues under subsection (b), or in the event that no future rede-

1 velopment projects or authorized costs remain for the redevelopment
2 district, the revenues derived from the countywide retailers' sales tax cov-
3 ered under subsection (b) shall thereafter be distributed to the county
4 treasurer as required under K.S.A. 12-192, and amendments thereto.

5 New Sec. 16. Whenever a redevelopment district is established un-
6 der this act and bonds are issued by the board of county commissioners
7 or by the Kansas development finance authority for any redevelopment
8 project in the district, such redevelopment project shall be regarded as a
9 redevelopment project that was determined by the secretary of commerce
10 and housing to be of statewide as well as local importance for the purposes
11 of K.S.A. 2001 Supp. 79-3620, 79-3620b and 79-3710, and amendments
12 thereto.

13 Sec. 17. K.S.A. 2001 Supp. 74-8902, 74-8905, 74-8921, 74-8922, 74-
14 8923, 74-8924, 74-8925, 74-8927 and 74-8929 are hereby repealed.

15 Sec. 18. This act shall take effect and be in force from and after its
16 publication in the Kansas register.

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